

EXHIBIT E

[FPL Demand for Return of Letter of Credit]

FPL Energy, LLC
P.O. Box 14000
Juno Beach, FL 33408-0420

FPL Energy.

Scott D. Cousins
Vice President and
General Counsel
Florida Authorized House Counsel
Admitted: Delaware

October 2, 2008

VIA COURIER AND BY FACSIMILE (212-310-8007)

Lehman Brothers Commodity Services, Inc.
c/o Weil Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attn: Harvey Miller and Richard Krasnow

Re: NOTICE OF DEMAND OF RETURN OF LETTER OF CREDIT pursuant to the terms of the ISDA Master Agreement dated as of August 14, 2006 (the "Agreement") by and between Lehman Brothers Commodity Services Inc. ("LBCS") and Florida Power & Light Company ("FPL")

Dear Harvey and Richard:

On September 15, 2008, FPL delivered to LBCS a notice of an Event of Default and designation of September 17, 2008 as the Early Termination Date (the "Notice") for all outstanding Transactions under the Agreement. This Event of Default was caused by the bankruptcy of Lehman Brothers Holdings Inc. ("LEH"), which was LBCS's Credit Support Provider under the Agreement. A copy of the Notice is attached hereto as Exhibit A. At the same time, FPL delivered to LBCS a Notice of Demand of Return of Letter of Credit (the "Demand") for Letter of Credit No. 10050004/80085 issued by Scotiabank dated July 25, 2007 as amended on August 15, 2007 (the "Letter of Credit"). A copy of the Demand is attached hereto as Exhibit B. Further on September 22, 2008, at the request of Joe Barker, Director of Credit Risk at FPL, a copy of the Demand was sent by email to Peter Galbraith at LEH. A copy of the email and attachment is attached hereto as Exhibit C.

On October 1, 2008, during a telephone conversation regarding the status of the return of the Letter of Credit, a credit representative at LEH told Joe Barker that the Demand had been forwarded to the "bankruptcy group" at LEH and that currently LEH is not making any distribution of cash or other instruments that will diminish the value of the estate.

This response to the Demand is unacceptable for the following reasons:

- A. The entity that is required to return the Letter of Credit to FPL is LBCS, which, as you know, is not an entity that is subject to the automatic stay in connection with the chapter 11 proceeding of *In re Lehman Brothers Holdings Inc.*, Chapter 11 Case No. 08-13555 (JMP). Moreover, even if the Letter of Credit were property of the *Lehman Brothers Holdings* bankruptcy estate, *which it is not*, its return would be unaffected by the automatic stay. See 11 U.S.C. § 556. As you also know, the Agreement is a "forward contract" within the meaning of section 556 of the Bankruptcy Code and is also not subject to the automatic stay. See Order Pursuant to Sections 105 of the Bankruptcy Code, Enforcing the Protections of Section 362 of the Bankruptcy Code, Chapter 11 Case No. 08-13555 (JMP), *In re Lehman Brothers Holdings Inc.*
- B. LBCS is contractually required to return the Letter of Credit to FPL pursuant to Paragraphs 8(b) and 13(j)(iv)(B) of the Credit Support Annex to the Agreement. Please note that FPL is in the

process of establishing its damages pursuant to the terms of the Agreement; however, return of the Letter of Credit is not dependent upon LBCS receiving that calculation nor is it dependent upon payment of the settlement amount by one party to the other determined pursuant to such calculation. The return obligation was triggered by LBCS's default under the terms of the Agreement.

Therefore FPL hereby reasserts its demand that LBCS immediately transfer and return to FPL the Letter of Credit. If the Letter of Credit is not immediately returned, we will take appropriate actions including petitioning the Court for relief and sanctions.

All capitalized terms used in this notice letter and not defined herein will have the meanings ascribed thereto in the Agreement. If you have any questions regarding this notice please contact me directly at (561) 304-5674.

Sincerely,

A handwritten signature in black ink, appearing to read 'Scott Cousins', is written over a horizontal line.

Scott Cousins
Vice President and General Counsel FPLE

cc: Kate Stengle,
Vice President Trading and Risk Management FPL
Joe Barker
Director of Credit Risk FPL
Eric Peterman
Weil Gotshal & Manges LLP
Sandra Edwards
Scotia Capital

EXHIBIT A

Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408



September 15, 2008

VIA COURIER OR PERSONAL DELIVERY AND BY FACSIMILE (212-526-7672)

Lehman Brothers Commodity Services, Inc.
c/o Lehman Brothers Inc.
Transaction Management Group
Corporate Advisory Division
745 Seventh Avenue
New York, New York 10019
Attn: Documentation Manager

NOTICE OF EVENT OF DEFAULT and DESIGNATION OF AN EARLY TERMINATION DATE

Re: ISDA Master Agreement dated August 14, 2006 (the "Agreement") by and between Florida Power & Light Company (Party B) and Lehman Brothers Commodity Services Inc. (Party A)

Ladies and Gentlemen:

An Event of Default has occurred with respect to Party A under Section 5(a)(vii) of the Agreement due to the Bankruptcy of Party A's Credit Support Provider. Pursuant to Section 6(a) of the Agreement Party B hereby designates September 17, 2008 as the Early Termination Date for all outstanding Transactions under the Agreement.

Party B, as the Performing Party pursuant to such terminated Transactions under the Agreement, will determine, and by subsequent notice advise Party A of any amounts due in respect of such early termination pursuant to the terms of the Agreement.

This notice is without prejudice to any of Party B's rights or remedies with respect to the matter described herein or any default, termination, or liquidation events under the terms of the Transactions, or as otherwise available under applicable law or in equity, including but not limited to, its rights to demand and obtain payment of default interest, late charges, attorneys fees and other costs incurred as a result of any of the foregoing defaults, and Party B's right to proceed against any and/or all guarantors, under and pursuant to any applicable guaranties.

All capitalized terms used in this demand letter and not defined herein will have the meanings ascribed thereto in the Agreement. If you have any questions regarding this notice please contact Brent Hendry, Managing Attorney at (561) 304-5276.

Sincerely,

Sam A. Forrest /mo
Sam A. Forrest
Vice President, Energy Marketing & Trading

cc: Joe Barker,
Director of Credit

an FPL Group company

Received by:
Kirsty Aratter
Admin. Asst.
9/15/08 5:30 pm
Kirsty Aratter



FPL
Energy Marketing
& Trading

EXHIBIT B

Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408

September 15, 2008

VIA COURIER OR PERSONAL DELIVERY AND BY FACSIMILE (212-526-7672)

Lehman Brothers Commodity Services, Inc.
c/o Lehman Brothers Inc.
Transaction Management Group
Corporate Advisory Division
745 Seventh Avenue
New York, New York 10019
Attn: Documentation Manager

Re: NOTICE OF DEMAND OF RETURN OF LETTER OF CREDIT pursuant to the terms of the ISDA Master Agreement dated as of August 14, 2006 (the "Agreement") by and between Lehman Brothers Commodity Services Inc. ("Party A") and Florida Power & Light Company ("Party B")

Ladies and Gentlemen:

Pursuant to Paragraph 8(b) and 13(j)(iv)(B) of the Credit Support Annex to the above-referenced Agreement Party B hereby demands that Party A immediately Transfer and return to Party B the Letter of Credit No. 10050004/80085 issued by Scotiabank dated July 25, 2007 as amended on August 15, 2007 due to the Early Termination Date having been designated as the result of an Event of Default by Party A pursuant to the Notice of Default dated September 15, 2008.

All capitalized terms used in this demand letter and not defined herein will have the meanings ascribed thereto in the Agreement. If you have any questions regarding this notice please contact Brent Hendry, Managing Attorney at (561) 304-5276.

Sincerely,

Sam A. Forest /mo

Sam A. Forest
Vice President, Energy Marketing & Trading

cc: Joe Barker,
Director of Credit

*Received by:
Kirsty Aroska
Admin. Asst.
9/15/08 5:30pm
Lis JH*

an FPL Group company

Hendry, Brent

EXHIBIT C

From: Hendry, Brent
Sent: Monday, September 22, 2008 11:45 AM
To: 'Peter.galbraith@lehman.com'
Cc: Stengle, Kate; Lightbourn, John; Tierney, Jamie; Barker, Joe
Subject: LEH LOC
Attachments: Notice of demand for return of LOC.pdf

Peter,

At the request of Joe Barker please find attached a copy of the Demand for return of the LOC delivered to Lehman on September 15, 2008.

Regards,

Brent

Brent Hendry
Managing Attorney
FPL Energy
700 Universe Blvd.
Juno Beach, Florida 33408
561 304 5276 Office
561 762 2511 Cell
561 625 7504 Fax

FL Authorized House Counsel
Not a Member of the Florida Bar

Information in this message is confidential and may be legally privileged. It is intended solely for the person to whom it is addressed. If you are not the intended recipient, please notify the sender and please delete the message from your system immediately.



FPL
Energy Marketing
& Trading

Florida Power & Light Company, 700 Universe Boulevard, Juno Beach, FL 33408

September 15, 2008

VIA COURIER OR PERSONAL DELIVERY AND BY FACSIMILE (212-526-7672)

Lehman Brothers Commodity Services, Inc.
c/o Lehman-Brothers Inc.
Transaction Management Group
Corporate Advisory Division
745 Seventh Avenue
New York, New York 10019
Attn: Documentation Manager

Re: NOTICE OF DEMAND OF RETURN OF LETTER OF CREDIT pursuant to the terms of the ISDA Master Agreement dated as of August 14, 2006 (the "Agreement") by and between Lehman Brothers Commodity Services Inc. ("Party A") and Florida Power & Light Company ("Party B")

Ladies and Gentlemen:

Pursuant to Paragraph 8(b) and 13(j)(iv)(B) of the Credit Support Annex to the above-referenced Agreement Party B hereby demands that Party A immediately Transfer and return to Party B the Letter of Credit No. 10050004/80085 issued by Scotiabank dated July 25, 2007 as amended on August 15, 2007 due to the Early Termination Date having been designated as the result of an Event of Default by Party A pursuant to the Notice of Default dated September 15, 2008.

All capitalized terms used in this demand letter and not defined herein will have the meanings ascribed thereto in the Agreement. If you have any questions regarding this notice please contact Brent Hendry, Managing Attorney at (561) 304-5276.

Sincerely,

Sam A. Forest /mo

Sam A. Forest
Vice President, Energy Marketing & Trading

cc: Joe Barker,
Director of Credit

*Received by:
Kirsty Arasta
Admin. Asst.
9/15/08 5:30pm
Lis JH*

an FPL Group company

UPS CampusShip: Label/Receipt

Page 2 of 2

**Shipment Receipt**

(Keep this for your records.)

Transaction Date 02 Oct 2008

Address Information**Ship To:**

Lehman Brothers Commodity Svcs., In
Harvey Miller/Richard Krasknow
c/o Weil Gotshal & Manges LLP
767 Fifth Avenue
NEW YORK NY 10153-0023

Shipper:

FPLE
Brent Hendry
700 UNIVERSE BLVD
JUNO BEACH FL 33408

Ship From:

FPLE
Angela Ewers
700 UNIVERSE BLVD
JUNO BEACH FL 33408

Shipment Information**Service:**

UPS Next Day Air

*Guaranteed By:

10:30 A.M., Fri. 3 Oct. 2008

Quantum View Notify SM 1:
Delivery

angela_ewers@fpl.com

E-mail Failure Notification:

angela_ewers@fpl.com

Quantum View Notify SM

Total:

No Charge

No Charge

Fuel Surcharge:

**6.99

Shipping:

**20.25

Package Information**Package 1 of 1**

Tracking Number:

1ZF5W8320197809344

Package Type:

UPS Letter

Actual Weight:

Letter

Billable Weight:

Letter

Business Unit:

039

Billing Information

Bill Shipping Charges to:

Shipper's Account F5W832

Total:

All Shipping Charges in USD

**27.24

Negotiated Total:

**11.64

Note: Your invoice may vary from the displayed reference rates.

* For delivery and guarantee information, see the UPS Service Guide. To speak to a customer service representative, call 1-800-PICK-UPS for domestic services and 1-800-782-7892 for international services.

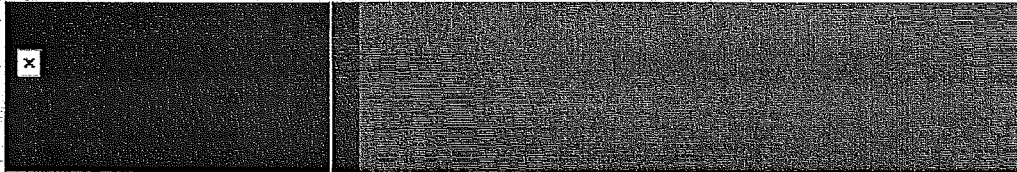
** Detailed information on fuel surcharges is also available.

Responsibility for Loss or Damage

Unless a greater value is recorded in the declared value field as appropriate for the UPS shipping system used, the shipper agrees that the released value of each package covered by this receipt is no greater than \$100, which is a reasonable value under the circumstances surrounding the transportation. If additional protection is desired, a shipper may increase UPS's limit of liability by declaring a higher value and paying an additional charge. UPS does not accept for transportation and shipper's requesting service through the Internet are prohibited from shipping packages with a value of more than \$50,000. The maximum liability per package assumed by UPS shall not exceed \$50,000, regardless of value in excess of the maximum. Claims not made within nine months after delivery of the package (sixty days for international shipments), or in the case of failure to make delivery, nine months after a reasonable time for delivery has elapsed (sixty days for international shipments), shall be deemed waived. The entry of a C.O.D. amount is not a declaration of value for carriage purposes. All checks or other negotiable instruments tendered in payment of C.O.D. will be accepted by UPS at shipper's risk. UPS shall not be liable for any special, incidental, or consequential damages. All shipments are subject to the terms and conditions contained in the UPS Tariff and the UPS Terms and Conditions of Service, which can be found at www.ups.com.

Ewers, Angela

From: UPS Quantum View [auto-notify@ups.com]
Sent: Friday, October 03, 2008 10:30 AM
To: Ewers, Angela
Subject: UPS Delivery Notification, Tracking Number 1ZF5W8320197809344



***Do not reply to this e-mail. UPS and FPLE will not receive your reply.

At the request of FPLE, this notice alerts you that the shipment listed below has been delivered.

Important Delivery Information

Delivery Date / Time: 03-October-2008 / 9:53 AM
Delivery Location: MAIL ROOM
Signed by: DIXON

Shipment Detail

Ship To:
Harvey Miller/Richard Krasknow
Lehman Brothers Commodity Svcs., In
767 5TH AVE
FLOOR C
NEW YORK
NY
10153
US
UPS Service: NEXT DAY AIR
Shipment Type: Letter
Tracking Number: 1ZF5W8320197809344
Reference Number 1: 039



FPL Energy

FACSIMILE TRANSMITTAL

Date: October 2, 2008
To: Harvey Miller, Richard Krasnow and Eric Peterman
Company: Weil Gotshal & Manges, LLP
Fax #: 212.310.8007
Re: Lehman Brothers Commodity Services, Inc.
From: Scott Cousins, Vice Present and General Counsel FPLE
Phone:
Fax:

Total number of pages: 7 (including cover)

For confirmation or problems call Angela Ewers at 561.304.5923

Message:

Confirmation Report - Memory Send

Page : 001
Date & Time: Oct-02-2008 05:28pm
Line 1 : 561 691 7103
Machine ID : FPL-LAW/JB, D3804

Job number : 651
Date : Oct-02 05:27pm
To : 2812123108007
Number of pages : 007
Start time : Oct-02 05:27pm
End time : Oct-02 05:28pm
Pages sent : 007
Status : OK

Job number : 651

*** SEND SUCCESSFUL ***



FPL Energy

FACSIMILE TRANSMITTAL

Date: October 2, 2008
To: Harvey Miller, Richard Krasnow and Eric Peterman
Company: Weil Gotshal & Manges, LLP
Fax #: 212.310.8007
Re: Lehman Brothers Commodity Services, Inc.
From: Scott Cousins, Vice President and General Counsel FPLE
Phone:
Fax:

Total number of pages: 7 (including cover)

For confirmation or problems call Angela Ewers at 561.304.5923

Message: